

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 CIAE-00 FRB-03 INR-07  
NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02  
LAB-04 EPG-02 SIL-01 OMB-01 NSC-05 SS-15 STR-04  
CEA-01 L-03 H-01 DODE-00 PA-01 PRS-01 /085 W  
-----007433 301252Z /46

R 290700Z JUN 77 MRN CORRECTION  
FM AMEMBASSY KUWAIT  
TO SECSTATE WASHDC 8359  
INFO USDOC WASHDC  
AMEMBASSY ABU DHABI  
AMEMBASSY CAIRO  
AMEMBASSY DAMASCUS  
AMEMBASSY DOHA  
AMEMBASSY JIDDA  
AMEMBASSY MANAMA

C O N F I D E N T I A L KUWAIT 3533

C O R R E C T E D C O P Y (MRN 3533 VICE 3523)

E.O. 11652: GDS  
TAGS: ETRD, PFOR  
SUBJECT: REPRESENTATION CONCERNING U.S. ANTIBOYCOTT LEGISLATION

REF: (A) STATE 146034, (B) KUWAIT 3420, (C) STATE 142390  
(D) KUWAIT 3514.

1. ON JUNE 28, ACCOMPANIED BY E/C SECTION CHIEF, I CALLED  
ON ACTING FOREIGN MINISTRY UNDERSECRETARY FAISAL MUTAWA  
AND BRIEFED HIM ON AMEMNDMENTS TO NEW U.S. EXPORT ADMINIS-  
TRATION ACT RELATING TO FOREIGN BOYCOTT PRACTICES ALONG  
LINES OF STATEMENT IN PARA 6 REFTEL C, WHICH I LEFT AS  
AN AIDE MEMOIRE. IN MAKING PRESENTATION, I PLACED  
PARTICULAR EMPHASIS ON NEED FOR POSITIVE CERTIFICATION,  
ESPECIALLY AS APPLIED TO LETTERS OF CREDIT.

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2. AMBASSADR MUTAWA HAD WITH HIM ACTING DIRECTOR OF  
ECONOMIC AFFAIRS ABD AL-MUHSIN AL-JI'AN WHOM HE ASKED TO  
RESPOND TO MY PRESENTATION. JI'AN SAID THAT GOK WAS SORRY  
THAT THE LAW HAD BEEN PASSED AND HAD FOLLOWED CLOSELY THE  
ACTIVITIES OF VARIOUS ZIONIST ORGANIZATIONS IN PROMOTING  
THE LAW. THE LAW, JI'AN SAID, WOULD NOT BE CONDUCIVE

TO PEACE IN THE MIDDLE EAST OR U.S. TRADE RELATIONS WITH ARAB COUNTRIES. JI'AN THEN WENT OVER WELL KNOWN ARAB POINTS ON BOYCOTT, SUCH AS FACT THAT IT WAS NOT DISCRIMINATORY AND THAT UNDER INTERNATIONAL LAW ARAB COUNTRIES HAD RIGHT TO ENFORCE BOYCOTT JUST AS U.S. DID. JI'AN SAID KUWAIT WOULD STUDY THE AIDE MEMOIRE WITH INTEREST AND WOULD APPRECIATE A COPY OF THE TEXT OF THE LAW. HE NOTED THAT KUWAIT'S POSITION ON THE U.S. LEGISLATION WOULD NOT BE TAKEN ON ITS OWN, BUT WOULD REFLECT THE REACTION OF THE ARAB COUNTRIES AS A GROUP.

3. IN RESPONSE I NOTED THAT WHATEVER DISCUSSION TOOK PLACE BEFORE PASSAGE, THE RESULTING LAW WAS A BALANCED ONE REFLECTING BROAD CONSENSUS IN THE U.S. IT RECOGNIZED THE SOVEREIGN RIGHT OF COUNTRIES TO REGULATE COMMERCE AND ALLOWED FOR PROVISION OF NORMAL COMMERCIAL INFORMATION. QUESTION NOW SEEMED TO BE ONE OF SEMANTICS--SUCH AS THE SPECIFIC WORDING IN LETTERS OF CREDIT AND TENDER DOCUMENTS. I NOTED THAT THE LAW ELIMINATES A GREAT DEAL OF UNCERTAINTY AND QUESTION WHICH HAD BEEN RAISED BY THE VARIOUS STATE ANTYBOYCOTT LAWS. IN THIS RESPECT, IT WOULD PROBABLY FACILITATE TRADE WITH THE ARAB WORLD.

4. JI'AN STATED CATEGORICALLY THAT KUWAIT HAD NOT FORMALLY ACCEPTED POSITIVE CERTIFICATION AND THAT THIS DECISION COULD ONLY COME FROM THE ARAB COUNTRIES AS A GROUP. UNTIL  
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SUCH TIME, REQUIREMENT OF NEGATIVE CERTIFICATION STILL APPLIED IN KUWAIT. I EXPRESSED SURPRISE AT THIS, NOTING WE HAD A NUMBER OF INDICATIONS THAT THE KUWAIT BOYCOTT OFFICE ACCEPTED POSITIVE CERTIFICATION (REF B). ALSO, THIS STATEMENT ABOUT NEGATIVE CERTIFICATION RAN COUNTER TO THE PRACTICE OF MOST ARAB STATES, SUCH AS EGYPT, SAUDI ARABIA, UAE AND QATAR, ALL OF WHICH ACCEPTED POSITIVE CERTIFICATION. I SAID WE WOULD APPRECIATE CLARIFICATION OF KUWAIT'S POSITION REGARDING POSITIVE CERTIFICATION.

5. I WOULD HAVE PREFERRED TO DISCUSS THIS SUBJECT WITH THE MINISTER OF COMMUNICATIONS, WHOSE MINISTRY IS RESPONSIBLE FOR THE LOCAL ISRAEL BOYCOTT OFFICE (HE IS ON SICK LEAVE AND HIS UNDERSECRETARY IS OUT OF THE COUNTRY), BECAUSE THE FOREIGN MINISTRY IS NOTORIOUSLY UNKNOWLEDGEABLE ABOUT THIS SUBJECT. I SHALL DO THIS WITH THE FIRST ONE OF THEM WHO RETURNS TO HIS OFFICE. IN THE MEANWHILE, MY E/C SECTION CHIEF WILL SEEK AN APPOINTMENT WITH DIRECTOR OF KUWAIT BOYCOTT OFFICE, WHO MAY INJECT SOME CLARITY INTO THE GOC'S POSITION ON POSITIVE CERTIFICATION. I AM ANXIOUS TO GENERATE SOME MOVEMENT ON THE PART OF THE GOVERNMENT WHICH WILL PERMIT THE KUWAITI BANKS TO USE

POSITIVE CERTIFICATION LANGUAGE IN THEIR LETTERS OF CREDIT. NEGATIVE L/C LANGUAGE HAS UP TO NOW DETERRED SOME U.S. FIRMS FROM MAKING MAJOR SALES TO KUWAIT'S MARKET.

6. RE SUGGESTION PARA 8 REF C, I WELCOME IDEA OF STATE/ COMMERCE DELEGATION TO EXPLAIN BOYCOTT REGULATIONS SO LONG AS IT IS SMALL (2-3 PERSONS). MEETINGS WITH LOCAL BUSINESS GROUPS AND GOVERNMENT OFFICIALS WOULD BE USEFUL. I SUGGEST THE DELEGATION NOT COME BEFORE OCTOBER 1, SINCE MOST INTERESTED PARTIES WILL BE OUT OF KUWAIT DURING THE HOT AND SANDY SUMMER UNTIL AFTER THE END OF RAMADHAN IN MID SEPTEMBER.

7. ACTION REQUESTED: PLEASE PROVIDE EMBASSY WITH COPY  
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OF ANTIBOYCOTT LAW, AS REQUESTED BY FOREIGN MINISTRY AND IN REF D.  
MAESTRONE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
**Executive Order:** GS  
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**TAGS:** ETRD, PFOR, US  
**To:** STATE  
**Type:** TE  
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